

Message Text

SECRET

PAGE 01 JIDDA 04615 01 OF 02 201601Z

44-L

ACTION NEA-12

INFO OCT-01 AF-10 EUR-25 EA-11 ISO-00 CIAE-00 DODE-00

PM-07 H-03 INR-10 L-03 NSAE-00 NSC-10 PA-04 RSC-01

PRS-01 SPC-03 SS-20 USIA-15 ACDA-19 IO-14 EB-11

COME-00 INT-08 SCEM-02 OMB-01 TRSE-00 MC-02 SCI-06

DRC-01 CIEP-02 /202 W

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R 201415Z OCT 73

FM AMEMBASSY JIDDA

TO SECSTATE WASHDC 5245

INFO USINT ALGIERS

AMEMBASSY ABU DHABI

AMEMBASSY BEIRUT

USMISSION EC BRUSSELS

USINT CAIRO

AMCONSUL DHAHRAN

AMEMBASSY KUWAIT

AMEMBASSY LONDON

AMEMBASSY MANAMA

AMEMBASSY PARIS

USMISSION OECD PARIS

AMEMBASSY ROME

AMEMBASSY TEL AVIV

AMEMBASSY TOKYO

AMEMBASSY TRIPOLI

S E C R E T SECTION 1 OF 2 JIDDA 4615

E.O. 11652: GDS

TAGS: ENRG, KU, SA

SUBJ: SAUDI MINISTER OF PETROLEUM'S ACCOUNT OF KUWAIT

ARAB OIL MEETING

REF: JIDDA 4600

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PAGE 02 JIDDA 04615 01 OF 02 201601Z

SUMMARY: MINPET YAMANI ASKED TO SEE AMBASSADOR EVENING

OCT 19 AND DESCRIBED VARIOUS ARAB STATES' POSITIONS AT KUWAIT OAPEC MEETING. SAUDI ARABIA HAD REFUSED GO ALONG WITH RADICAL DEMAND FOR CUT IN ARAB DIPLOMATIC RELATIONS WITH U.S. AND FOR SWITCH OF ARAB FINANCIAL RESERVES OUT OF DOLLARS. YAMANI HAD SAID THIS WAS NOT SUBJECT OF CONFERENCE; BREAKING OF DIPLOMATIC RELATIONS SHOULD BE DECIDED BY FONMINS. SAUDI ARABIA DID NOT INTEND TO DO SO. FINANCE MINISTERS MIGHT MEET ON WITHDRAWING FUNDS, BUT AGAIN SAG HAD NO INTENTION TAKE SUCH STEP, HE INFORMED OAPEC MINISTERS. SAUDI ARABIA ALSO OPPOSED FLATLY BOYCOTT OF OIL TO U.S. AS WELL AS RADICALS' DEMAND FOR IMMEDIATE 50 PERCENT CUT IN PRODUCTION.

YAMANI ASSUMES LIBYA, KUWAIT AND ABU DHABI COULD CONTINUE GRADUAL CUTS FOR YEAR OR EVEN LONGER, WITH ALGERIA CUTTING NOW AND PERHAPS AGAIN ON DEC 1. IRAQ UNLIKELY TO CUT FURTHER. WHAT SAG AND QATAR DO ON DEC 1 DEPENDS ON MOVEMENT TOWARD SETTLEMENT.

YAMANI EXPRESSED GREAT BITTERNESS AT HIGH-LEVEL SOPHISTICATION NEW AMERICAN WEAPONRY GIVEN ISRAEL, CLAIMING THOUSANDS ARAB CIVILIANS BEING SLAUGHTERED. EMBASSY BELIEVES WITHOUT YAMANI AT OAPEC CONFERENCE DECISIONS WOULD HAVE BEEN FAR HARSHER. YAMANI AND SAG REMAIN EXPOSED TO HOSTILE ARAB STATES AND WILL NEED REPEATED ASSURANCES THAT USG IS MOVING TOWARD FAIR AND EQUITABLE SOLUTION, PARTICULARLY IN FACE CONTINUED ANNOUNCEMENT US MILITARY AND FINANCIAL ASSISTANCE TO ISRAEL. END SUMMARY.

1. AHMAD ZAKI YAMANI, SAUDI MINPET, RETURNED TO JIDDA AFTERNOON OF OCT 19 AND ASKED TO SEE ME SAME EVENING. HE SAID HE WAS COMPLETELY ISOLATED DURING KUWAIT OIL MEETINGS IN ADVOCATING A MODERATE POSITION (EXCEPT FOR QATAR, WHICH FOLLOWED THE LEAD HE SET AND MADE NO COMMENT THROUGHOUT THE ENTIRE MEETING); HE WAS PARTICULARLY SCATHING ABOUT THE ATTITUDES TAKEN BY THE KUWAITI REPRESENTATIVE AND "THAT IDIOT FROM ABU DHABI." HETLZWD LIBYA AND IRAQ WERE THE INSPIRATION FOR
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PAGE 03 JIDDA 04615 01 OF 02 201601Z

THE RADICALS; EGYPT WOULD INITIALLY SUPPORT THEM, BUT USUALLY BACKED OFF WHEN THE DISCUSSION BECAME HEATED. THE MOST INTERESTING ROLE, HE SAID, WAS PLAYED BY THE ALGERIAN WHO STARTED EVERY DISCUSSION BY ALIGNING HIMSELF FIRMLY BEHIND THE RADICALS; THEN WHEN SAUDI ARABIA WOULD REFUSE TO GO ALONG, HE WOULD ADVOCATE ACCEPTING THE SAUDI POSITION BECAUSE IT WAS MANIFESTLY IMPOSSIBLE FOR ANY JOINT ACTION TO BE EFFECTIVE WITHOUT SAUDI

PARTICIPATION.

2. THE FIRST DEMAND OF THE RADICALS WAS FOR AN IMMEDIATE BREAKING OF DIPLOMATIC RELATIONS WITH THE U.S. YAMANI'S POSITION WAS THAT THIS WAS OUTSIDE THE COMPETENCE OF THE OIL MINISTERS; IT SHOULD BE DECIDED BY FOREIGN MINISTERS. BUT REGARDLESS OF WHAT OTHER ARABS DID SAUDI ARABIA DID NOT INTEND TO FOLLOW. THE KING BELIEVED SOME LINE OF COMMUNICATION HAD TO BE MAINTAINED WITH THE AMERICANS, IN SPITE OF THEIR OBVIOUS ANTI-ARAB ACTIVITIES, AND SAUDI ARABIA WOULD MAINTAIN THIS POSITION EVEN IF ALL THE OTHERS BROKE RELATIONS. YAMANI SAID HE THOUGHT ONLY LIBYA MIGHT TAKE THIS STEP.

3. THE SECOND DEMAND WAS IMMEDIATE WITHDRAWAL OF ALL FUNDS FROM AMERICAN BANKS AND FINANCIAL INSTITUTIONS. AND IT WAS KUWAIT WHICH WAS MOST INSISTENT ON THIS POINT. YAMANI'S POSITION WAS THAT THIS, TOO, WAS BEYOND THE COMPETENCE OF THE OIL MINISTERS; IT SHOULD BE DECIDED BY FINANCE MINISTERS. BUT IN ANY CASE SAUDI ARABIA DID NOT INTEND TO TAKE ANY SUCH STEP. (SEPTEL ON THIS SUBJECT FOLLOWS.)

4. AN IMMEDIATE BOYCOTT OF OIL, OIL PRODUCTS, AND OTHER HYDROCARBONS FOR DELIVERY TO THE U.S. HERE YAMANI SAID HIS POSITION WAS FLATLY THAT SAUDI ARABIA WOULD NOT DO ANY SUCH THING. BUT WHEN THE ALGERIAN PROPOSED MODIFYING THE RESOLUTION TO ALLOW THIS TO BE LEFT TO INDIVIDUAL COUNTRIES, HE ACCEPTED. YAMANI SAID HE THOUGHT ALL THE ARAB COUNTRIES WOULD IMPOSE AN EMBARGO ON THE U.S. WITH THE EXCEPTIONS OF SAUDI ARABIA AND QATAR AND POSSIBLE ALGERIA.

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PAGE 04 JIDDA 04615 01 OF 02 201601Z

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PAGE 01 JIDDA 04615 02 OF 02 201610Z

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USMISSION OECD PARIS

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AMEMBASSY TEL AVIV

AMEMBASSY TOKYO

AMEMBASSY TRIPOLI

S E C R E T SECTION 2 OF 2 JIDDA 4615

5. THE RADICALS DEMANDED AN IMMEDIATE 50 PERCENT CUT
IN PRODUCTION AND YAMANI PROPOSED THIS BE LIMITED TO
5 PERCENT. HE SAID HE STUCK TO THIS POINT TO THE END
BUT DID COMPROMISE BY AGREEING THAT THIS BE CHANGED TO
"AT LEAST 5 PERCENT." THIS WILL BE FOLLOWED BY FURTHER
MONTHLY CUTS OF AT LEAST 5 PERCENT IN PRODUCTION UNTIL
THE ISRAELIS HAVE RELINQUISHED ARAB LANDS CONQUERED
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PAGE 02 JIDDA 04615 02 OF 02 201610Z

IN 1967 (COMMENT: IT SHOULD BE NOTED THAT ALTHOUGH
THE RESOLUTION REFERRED TO THE RESTORATION OF "THE
LEGITIMATE RIGHTS OF THE PALESTINIANS," NEITHER YAMANI
NOR KAMAL ADHAM MENTIONED ANYTHING OTHER THAN RELINQUISH-
MENT OF TERRITORIES.) YAMANI SAID THAT AT THIS POINT
IRAQ WALED OUT OF THE MEETING AND ASKED OTHER RADICALS
TO JOIN IT. NONE DID. HE SAID HE ASSUMES THAT LIBYA,
KUWAIT AND ABU DHABI WILL BE ABLE TO CONTINUE SUCH GRADUAL

CUTS FOR A YEAR OR EVEN LONGER, THAT IRAQ VERY LIKELY WILL NOT CUT BACK FURTHER (HAVING ALREADY LOST ITS MEDITERRANEAN OUTLETS) AND THAT ALGERIA WILL PROBABLY CUT BACK NOW AND MAYBE ON DECEMBER 1ST, BUT NOT ANY FURTHER, REGARDLESS OF WHAT DEVELOPS IN THE MIDDLE EAST. HE SAID THAT WHAT SAUDI ARABIA (AND QATAR) DO ON DECEMBER 1ST DEPENDS ON WHAT MOVEMENT IS MADE TOWARD A SETTLEMENT OF THE PROBLEM.

6. YAMANI ADMITTED THAT THE STATEMENT ON NOT HARMING FRIENDLY COUNTRIES WAS VAGUE. EACH COUNTRY, HE SAID, IS TO DETERMINE WHAT IS A FRIENDLY COUNTRY, AND THEN WILL ASSURE THAT ITS OWN OIL DELIVERIES TO THAT COUNTRY ARE NO LESS THAN THEY WERE IN SEPTEMBER. THIS WOULD MEAN THAT THE ENTIRE 10 PERCENT CUTBACK WOULD THEN FALL ON OTHER COUNTRIES WHICH WOULD, PERFORCE, SUFFER CUTBACKS PROPORTIONATELY GREATER THAN 10 PERCENT. HE SAID THE CONFERENCE DID NOT FACE THE QUESTION OF WHAT WOULD BE DONE IF ALL CUSTOMERS OF AN EXPORTER WERE DETERMINED TO BE FRIENDLY. (ARAMCO RECEIVED LETTER FROM YAMANI OCT 20 ORDERING THAT COMPANY'S PRODUCTION DURING REMAINDER OF OCTOBER AND NOVEMBER NO RPT NOT TO EXCEED AVERAGE FOR SEPTEMBER BUT HE MADE NO SPECIFIC DEMANDS FOR A CUT.)

7. YAMANI SAID THAT THE SAUDI GOVERNMENT IN THE LAST FEW DAYS HAD RECEIVED INFORMATION FROM THE EGYPTIANS AND THE SYRIANS ABOUT THE HIGH LEVEL OF SOPHISTICATION OF THE NEW AMERICAN WEAPONRY GIVEN ISRAEL. HE SAID THAT "THOUSANDS" OF ARAB CIVILIANS ARE BEING SLAUGHTERED BY ISRAEL, AND REMARKED WITH CONSIDERABLE BITTERNESS THAT IF ONE ISRAELI CHILD IS HURT, HIS PICTURE APPEARS ON THE FRONT PAGE OF THE NEW YORK TIMES, BUT IF THOUSANDS

SECRET

SECRET

PAGE 03 JIDDA 04615 02 OF 02 201610Z

OF ARABS ARE MURDERED NO ONE IN AMERICA GIVES IT A THOUGHT. HE ASKED RHETORICALLY HOW MUCH LONGER HE OR HIS KING COULD CONTINUE OR EVEN WOULD WANT TO CONTINUE SUPPORT OF THE U.S.

8. I TOLD YAMANI, AS I HAD TOLD KAMAL ADHAM EARLIER IN THE DAY, THAT THE PRESIDENT AND THE SECRETARY OF STATE OF THE UNITED STATES ARE FIRMLY COMMITTED TO PEACE IN THE AREA AND WILL MAKE A MAJOR EFFORT TO ACHIEVE IT. HE REPLIED "INSHALLAH."

9. COMMENT: EVEN ALLOWING FOR A NATURAL TENDENCY TO EXAGGERATE THE IMPORTANCE OF THE ROLE HE PLAYS, THERE IS LITTLE DOUBT THAT WITHOUT YAMANI THE DECISIONS TAKEN BY THE ARAB OIL CONFERENCE WOULD HAVE BEEN FAR HARSHER.

THERE IS ALSO LITTLE DOUBT THAT YAMANI FEELS NAKED
AND EXPOSED TO HOSTILE ANTI-AMERICAN ELEMENTS IN THE
ARAB CAMP. WE DON'T EXPECT TO SEE HIM TAKING SHELTER WITH
THE RADICALS -- AT LEAST NOT YET, AND WE WILL TRY TO
GIVE HIM SOME PROTECTION BY OUR REPEATED ASSURANCES
THAT THE U.S. INTENDS TO MOVE TOWARD A FAIR AND EQUITABLE
SOLUTION IN MIDDLE EAST. THESE, OF COURSE, WILL BE
WEIGHED AGAINST EVERY ANNOUNCEMENT OF THE U.S. MILITARY
AND FINANCIAL ASSISTANCE TO ISRAEL AND THEY WILL BE FURTHER
OFFSET BY EVERY ISRAELI VICTORY. AKINS

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